RESEARCH HIGHLIGHT

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Socio-economic Series 04-010

HOUSING EDUCATION PROGRAM: EASTMAIN PILOT PROJECT

INTRODUCTION

The objective of this study, completed under the CMHC External Research Program, was to consult with the Cree community of Eastmain regarding the general non-payment of rent with a view to finding solutions.

The study provides the community of Eastmain with an accurate view of its social housing situation with a specific focus on the existing housing finance and rental system. The purpose is to inform the community leaders as well as the residents of the issues, responsibilities and implications of non-payment of rent.

METHODOLOGY

Information was gathered from two main sources: members of the Eastmain community and from the governing bodies (Cree Regional Authority, Canada Mortgage and Housing Corporation, and Cree Nation of Eastmain). A housing survey was completed in which 53 households (out of a total of 113 tenants) were interviewed in person by two principle investigators and two translators over a period of 10 days. A literature review was also completed.

With the collaboration of teachers, a contest on housing issues was organized at the local school for grades 2 through secondary 5. Students were given two weeks to complete works of art and writing that describe their vision about the ideal house.

Public presentations were then made to inform community members of the issues at hand using four visual panels. The results of the survey and other information gathered were presented at a second community meeting. All members of the community were given an opportunity to participate. Presentations were also broadcast on local radio to reach those who could not attend the meeting.

FINDINGS

In Eastmain, only 11% of tenants pay rent. Of those surveyed, however, 92% considered rent payment an obligation.

A total of 81% of those interviewed said that they have difficulty paying the rent. A general lack of trust towards the rental department and local administration followed by poor services and maintenance, and lastly a perceived inequity in rent levels all contribute to non-payment of rent.

Tenants noted that improved services (addressing the needs of community members), improved maintenance, higher income and automatic rent withdrawal from bank accounts are some of the factors that would motivate them to pay rent.

A large number of tenants are elderly people who have children and grandchildren living with them. Of these tenants, 60% reported that other adults living with them did not help to pay the rent. Lack of such participation in paying housing-related expenditures, including rent, appears to contribute to the rental arrears problem. In part, this can be attributed to cultural factors. Elders have acknowledged that asking one's children to pay for household expenses is not typical.

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Of the 53 households interviewed, a total of 63 income earners were identified. Households with Band employees were more likely to pay rent (17 out of 25). The survey examined tenant's willingness to pay rent, and the amount they would be willing to pay if the house met their expectations. Band employees are willing to pay a higher rent than tenants with income from other sources; they make up the majority of both those willing to pay between $150 - $300 (41%), and those willing to pay more than $300 a month (43%). The remaining 16% of those interviewed are willing to pay less than $150 per month. Income source of these tenants include old age pension, welfare and other sources

Just under half the respondents (43%) were interested in receiving counselling on rent payment issues. Over half the respondents (57%) considered rent deduction directly from the bank a good idea. A significant number (81%) were interested in meeting with a housing administrator to discuss their households' issues. Most tenants (77%) also expressed an interest in taking courses on basic home maintenance and financial planning.

When respondents were asked how rent collection could be improved, the following suggestions were provided:

- improvement of local rental department administration
- direct deduction of rent from bank
- improvement of home maintenance
- equal rent for all tenants
- higher income
- other, for example, less bingo, cost sharing with family, etc.

The following suggestions were provided to combat the problem of rental arrears:

- pay off slowly
- meet with housing administrator
- diverse suggestions: change rental system, Band to assume responsibility, write-off debt, etc.

Most tenants (81%) indicated they would buy the home they occupy for $1 if given the opportunity. Tenants expressed an attachment to their homes but expressed concerns about assuming full responsibility for home maintenance. The majority of tenants (87%) understood that if rent was not paid, renovations could not be done on their homes. When asked who should enforce rental policies, the responses were somewhat divided; 62% of tenants would want an independent housing authority, while 15% want the existing rental housing department.

With regards to household finances, less than half of respondents (45%) prepare a budget while 36% do not. When asked to rank by priority a list of expense categories, tenants ranked expenses in the following order of importance: groceries, rent, car, hunting and camp (snowmobile, gas etc.), bills (hydro, telephone, etc.), bingo, clothing, Christmas. While attributing a high ranking to rent, when tenants were asked to evaluate their expenses, rent was not significant in relation to other categories (see Table 1). These estimated expenses were spontaneous and although they may not relate to the financial reality, they do reveal the personal evaluation of each respondent.

Table 1—How income is spent in Eastmain

	$
Car	989
Groceries	449
Hydro, telephone, etc.	348
Bingo	308
Clothing	252
Rent	173

An overview of the rental housing system in the community, CMHC programs, and roles and responsibility of the Band and the tenants were presented to community members at a public forum held in September 2002 that was also broadcast on the local radio. The results of the survey were presented at a second public meeting the following month. A school contest was also held to invite the younger age groups to participate in the discussion of housing issues.

CONCLUSIONS

The results of the survey and feedback obtained during public consultations show that tenants have lost faith in the system of rental housing, and in particular in the administration of this system. For those able to pay rent, there is a sense of unfairness in the scale used to calculate rent levels, as well as a perceived lack of benefit if rent is paid. Many elderly respondents noted that younger adult members of their households did not contribute to rent payment.

Income earners employed by the Band are both more likely to pay rent, and more likely to have more than one person in the household contributing to the rent. Employees of the Band are far more likely to prefer to pay a mortgage instead of rent. These individuals were also more willing to pay higher levels of rent than other income earners. Those least likely to pay rent are welfare recipients.

A majority of tenants were interested in having rent deducted directly from the bank, as well as having meetings with the housing administrator about their homes. Tenants were also willing to take courses in basic home maintenance.

When money is available to pay rent, tenants believe that rent calculations are unfair. They also think that money paid for rent is poorly managed and will never benefit them by way of building maintenance.

Individuals who cannot afford to pay rent complain about poor participation of other household members in the payment of rent. These individuals also feel that rent levels are simply too high.

While a majority of tenants are interested in possible solutions to these problems, a great deal of mistrust persists between tenants and service providers.

Following conclusion of the study, the Band established a transparent and independent bank account for rent payments. Maintenance improvement was added to the agenda of the upcoming Band council meeting. The discussion was to focus on the hiring of a new supervisor to manage the maintenance program and implement a preventative maintenance program. Once freed from these responsibilities, the Housing Administrator would be more available for tenant counselling.

The Cree Regional Authority and Box architectures have proposed, as Phase II to this project, a case study analysis in two other communities, and proposal for alternatives regarding social rental housing in Eastmain. Phase II would also include examining current rental policies, developing a fair rental system, and examining the feasibility of establishing an independent housing authority. Phase III would see the implementation of these strategies.

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